



Los Angeles County AUDIT COMMITTEE

Clinton Tatum, Chair
2nd District
Brence Culp, Vice Chair
3rd District
Louisa Ollague
1st District
Sheri Sakamoto
4th District
Angela Mazzie
5th District

AUDIT COMMITTEE

MEETING MINUTES

December 18, 2003

Chairperson Clinton Tatum called the meeting to order at 2:08 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Clinton Tatum, Second District
Brence Culp, Third District
Angela Mazzie, Fifth District

Louisa Ollague, First District
Curt Pedersen, Fourth District

Others in Attendance

Tyler McCauley, Auditor-Controller
Patrick McMahon, Auditor-Controller
DeWitt Roberts, Auditor-Controller
Martha Littlefield, Executive Office
Ken Wales, Executive Office

Maria Oms, Auditor-Controller
Cynthia Banks, Internal Services
Mike McWatters, Auditor-Controller
Don Chadwick, Auditor-Controller
Doris Reed, Auditor-Controller
Lisa Nunez, DPSS

Approval of Minutes

On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved the November 20, 2003 minutes.

Old Business

Countywide Master Information Security Policy #Sec-1. Policy establishes a countywide information policy to assure appropriate access to and integrity of County information and information technology assets. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved the policy recommendations.**

Group Home Program Monitoring Report – Sandhill Group Home. Review of the group home providing care for children ages 15-17 years who exhibit behavioral, social, and emotional difficulties verified the group home provided the services outlined in its program statement. **On motion of Louisa Ollague, seconded by Brence Culp, the Committee unanimously approved sending a letter requesting the Department follow-up and inviting Dr. Sanders to attend the January 15, 2004 meeting.**

Sunset Review Board Policy #5.130 Contracting with Minority/Women Owned Firms and Sunset Review Board Policy #5.010 MWBE Utilization Goals for County Contracts. Establishes countywide minority and women-owned business enterprise program participation goals and standardizes departments' requirements to ensure these businesses are given an opportunity to fully participate in County contracts. **On motion of Clinton Tatum, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Reports to be Received and Filed

Group Home Program Monitoring Report – Shamrock Cottage, Inc., Shamrock Monterrey, Shamrock Binney, Shamrock Forbes. Review of three agencies providing care to girls aged 13-17 years who exhibit behavioral, social and emotional difficulties to verify services outlined in their program statements were provided. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Homes of Hope, Homes of Hope #1 and Casa Esperanza Treatment Facility. Review of two facilities providing care to girls aged 13-17 years who exhibit behavioral, social and emotional problems to verify the facilities provided the services outlined in their program statements. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Summer Place Group Home. Review of facility providing care to girls aged 10-17 years who exhibit behavioral, social and emotional difficulties to verify the services provided were outlined in its program statement. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report –The Sherman Group, Inc., 30th Street West Youth Care Center, Almond Youth Care Center, and Hermosa Youth Care Center. Review of three facilities to verify the services provided were outlined in their program statements. One facility provides care to boys aged 12-17 years and the other two facilities provide care to girls aged 12-17 years. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Arrowhead Emancipation Program, Inc., Canyon Crest and Via Maderas Facilities. Review of two facilities providing care to girls aged 13-18 years who exhibit behavioral, social and emotional difficulties to verify services provided were outlined in their program statements. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Mozell Pennington Boys Center, Butler House and Roa Manor Sites. Review of two group homes providing care to boys ages 12-17 years who exhibit behavioral, social and emotional difficulties the two homes provided the services outlined in their program statements. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Jean Lores Group Homes, Inc., Gardena, 73rd Street, and Vernon Avenue Facilities. Review of three group homes providing care to boys aged 7-17 years who exhibit behavioral, social and emotional difficulties to verify the homes provided the services outlined in their program statements. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

La Vina Mello-Roos Audit – Community Facilities District No. 7: Follow Up No. 2. On October 23, 2003 representatives from the Fifth District, Auditor-Controller, the Chief Administrative Office, County Counsel and the Department of Public Works met with members of the Loma Alta Community Committee to discuss concerns. The Committee raised certain issues that the Fifth District requested the Auditor-Controller examine. The Auditor-Controller did not find any issues of concern. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Correction to La Vina Mello-Roos Audit – Community Facilities District No. 7: Follow Up No. 2. Error on page two mistakenly states twice in paragraph two \$900,000 million. The Report should say \$900,000. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Control over Portable Equipment. On November 7, 2003 the Auditor-Controller issued a report to the Audit Committee on controls over portable equipment in three County departments noting some instances where the departments did not comply with County Fiscal Manual internal control requirements, recommended all departments take action to comply with the manual and will monitor compliance with the manual as part of its fiscal audits. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Review of Teen's Happy Home, Incorporated – A Foster Family Agency and Group Home Foster Care Contractor. Fiscal operations review for the period of January 1, 2002 through December 31, 2002 found some expenditures did not have adequate documentation. Teen's management agreed to provide DCFS with a written response and corrective action plan within 30 days of the report date and DCFS has agreed to provide the Auditor-Controller with a written response within 60 days detailing the resolution of all findings. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Cleo's Group Home. Review of the home providing care to children aged 6-13 years who are developmentally disabled to verify the services outlined in its program statement. The review disclosed that the home was not complying with a significant number of contract requirements. The home's management was asked to provide DCFS with a written corrective plan within fifteen days from the receipt of this report. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Five Acres – The Boys' & Girls' Aid Society of Los Angeles – Residential Treatment Program, East Mountain, Monte Vista, and Solita Facilities. Review of the four agencies providing care to boys and girls aged 5-17 who exhibit emotional difficulties to verify the facilities provided the services outlined in their program statements. Generally, all four homes provided services outlined with some minor improvements. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Reports Received

Sunset Review Board Policy #5.030 Low-Cost Labor Resources Program. Response by the Internal Services Department requesting its continuation with the deletion of three action items: (1) The Chief Probation Officer to establish five additional Paid Work Crews; (2) ISD to explore pilot projects with the California Conservation Corp.; and, (3) Human Resources Department to establish a Worker's Compensation Policy. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved to extend the sunset review date to October 3, 2007.**

Santa Anita Family Services Contract Review. Compliance review of Santa Anita Family Services who contracted with the Department of Community and Senior Services, as part of the Centralized Contract Monitoring Pilot Project, to provide service to seniors age 60 or older determined the facility provided services outlined in its program statement and county contract. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Medi-Cal Share of Cost. Special Investigation Unit completed investigation of allegations of circumvented controls over the collection of fees from Medi-Cal patients. Allegations were substantiated with recommendations provided to the Department of Mental Health (DMH). DMH replied in a memo, dated November 3, 2003, and was asked to provide the Board of Supervisors with a written response within 60 days of the report (01/20/04), detailing the actions taken. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved requesting a letter outlining the efforts to implement the corrective action plan by January 20, 2004.**

Department of Agricultural Commissioner/Weights & Measures – Fiscal Review. Review of the Department's fiscal operations focusing on internal controls and compliances. The Department indicated general agreement with the findings. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved requesting a status report of the corrective actions to implement the Auditor-Controller recommendations by March 11, 2004.**

Sunset Review – Board Policy 9.060 – Outside Employment Reporting Requirements. The Executive Office of the Board of Supervisors and the Department of Human Resources have completed the sunset review of Board Policy 9.060 which standardizes reporting by County departments and district heads in summarizing outside employment activities of their staff. The Executive Office of the Board of Supervisors and the Department of Human Resources recommend that the actual policy not be revised, but that they plan to change the procedures regarding the annual notification to each department by the Executive Office. These changes in procedure will have no effect on the policy statement. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to January 11, 2008.**

Sunset Review for the Los Angeles Adult Day Health Care Planning Council. **This item is continued to the January 15, 2004 meeting.**

Board Ordered Responses to Countywide Audit (Item No. 13). On August 26, 2003 the Board of Supervisors directed the Auditor-Controller to coordinate departmental responses to the KPMG's Single Audit and the Internal Control Report for the fiscal year ended June 30, 2002, and report back to the Board within 120 days. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Child Support Services Department – Review of Monthly Collection and Distribution Reports. Review of the Child Support Services Department's (CSSD) monthly child support collection and distribution reports evaluating how monthly reports are prepared. The Auditor-Controller disclosed some discrepancies and CSSD management agrees with the findings and has begun to implement the recommendations. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved requesting a report on the implementation of the recommendations by January 20, 2004.**

Cost of Requiring County Personnel to Approve Contractor Authorized Payments (Agenda Item #2, July 29, 2003). In response to a payment fraud involving the GAIN Employment Activity and Reporting System (GEARS), the Board of Supervisors instructed the Director of the Department of Public Social Services, Department of Children Social Services and the Auditor-Controller to propose corrective recommendations and audit the community-based organizations involved. The report will be issued by June 6, 2004, during the monitoring process any fraudulent contractors will be terminated immediately and county counsel will address any reimbursement issues. The Auditor-Controller will provide training to DPSS staff to ensure proper audit procedures of all RITE contracts and DPSS will be issuing RITE payments directly. **This item is continued to the April 2004 meeting date to allow the Auditor-Controller time to perform the audits.**

Other Business

Discussion with Dr. David Sanders Regarding Group Homes and Foster Family Agencies. **This item is continued to the January 15, 2004 meeting.**

Public Comment

There was none.

Matters not on the posted agenda to be presented and placed on the agenda of a future meeting.

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 3:05 p.m.